

FIVE YEAR IMPLEMENTATION PLAN

CHULA VISTA REDEVELOPMENT AGENCY

2010 to 2014



Our Mission is ...

“To enhance urban Chula Vista through collaborative partnerships that realize the physical and economic potential of the community.”

- Chula Vista Redevelopment Agency

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I. INTRODUCTION

Every five years, redevelopment agencies are required to adopt implementation plans to establish strategic and programmatic work plans for carrying out their activities. These plans embody and carry out the mission, goals, and objectives of the agencies within their adopted redevelopment project areas. The Chula Vista Redevelopment Agency has two project areas that comprise six underlying project areas:

⇒ Bayfront/Town Centre I Project Area

- Bayfront
- Town Centre I

⇒ Merged Project Area

- Town Centre II
- Southwest
- Otay Valley
- Added Area

This Five Year Implementation Plan covers the five-year period from 2010 to 2014 and continues the strategy introduced in the 2005-2009 Implementation Plan of consolidating all of the Agency's existing implementation plans into a single, cohesive document.

LEGAL AUTHORITY

In 1993, the Legislature passed AB 1290 (Chapter 942, Statutes of 1993), which enacted the California Community Redevelopment Law Reform Act and made sweeping changes to state redevelopment law (Health and Safety Code §§33000 et seq.) in a major effort to increase both the effectiveness and accountability of redevelopment agencies. One notable statutory change was the addition of Article 16.5 (§§33490 et seq.) to the law, which required redevelopment agencies to adopt five year implementation plans for all adopted project areas on or before December 31, 1994, and every five years thereafter. Health and Safety Code Section 33490(a) requires that these implementation plans contain:

- ⇒ The Agency's goals and objectives, programs, and projects within the project area for the next five years, including estimated expenditures.
- ⇒ An explanation of how the goals and objectives, programs, projects, and expenditures will eliminate blight and promote affordable housing within the project area.
- ⇒ A specific section that addresses the Agency's housing responsibilities, including the Agency's Low and Moderate Income Housing Fund (tax increment "20% set-aside") and the Agency's requirements for replacement and inclusionary housing.

Aside from these requirements, the law provides flexibility for the Agency to locally determine how to best organize and format the contents of the plans. The Chula Vista Redevelopment Agency has used that flexibility to craft a cohesive and comprehensive document that will serve as the Agency's redevelopment "strategic plan" for the next five years.

Midterm Review

Health and Safety Code Section 33490(c) requires redevelopment agencies, during the third year of the implementation plan, to hold a public hearing and conduct a midterm review of the progress made within the project area. A midterm review of this implementation plan will be conducted during 2012 with special attention paid to the five-year work program found in Appendix B.

PURPOSE AND INTENT

The Agency's purpose and intent in this Five Year Implementation Plan are to:

- ⇒ Provide decision-makers and the public a clear, readable, and user-friendly document that effectively communicates the City's vision, goals and objectives, and programs for redevelopment.
- ⇒ Establish five-year strategic objectives and work programs that are measurable, quantifiable, and trackable and promote the long-term effectiveness and financial viability of the Agency.
- ⇒ Present information about the Redevelopment Agency in an educational and informative manner.
- ⇒ Implement the redevelopment goals of the Agency as set forth in the Agency's adopted Redevelopment Plans.

ORGANIZATION

This Five Year Implementation Plan is the strategic plan that supports a uniform vision for redevelopment. The first section of this plan provides a comprehensive and historical discussion of redevelopment in Chula Vista and the role of the Agency in the City's current revitalization efforts, including:

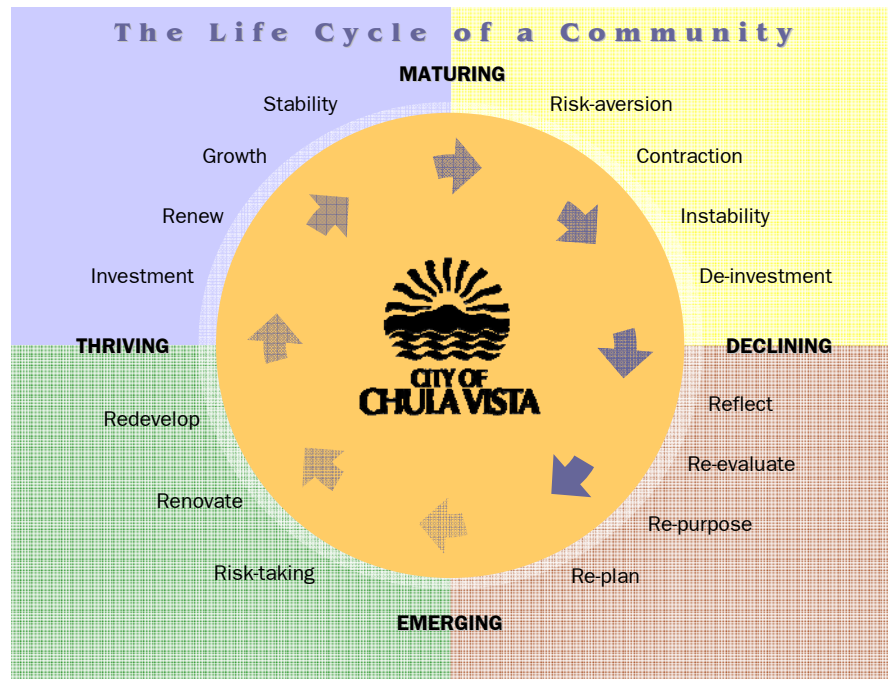
- ⇒ A historical overview of Chula Vista's life cycle
- ⇒ A discussion of the role of redevelopment and the private market
- ⇒ A description of the redevelopment project areas and a summary of the Agency's adopted goals

The rest of the plan provides the Agency's strategic focus for the next five years, including *Guiding Principles of Redevelopment* and work programs by project areas. Each work program outlines key strategic objectives that will be critical to successful redevelopment in each focus area, including:

- ⇒ The adoption of local land use plans and redevelopment policies to guide and establish a vision for all future redevelopment activities and projects.
- ⇒ The financing and planning of key infrastructure improvements and public amenities within the project areas.
- ⇒ The facilitation of key catalyst projects consistent with local plans and policies to generate tax increment revenues for public improvements and affordable housing.
- ⇒ The financing and creation of affordable housing through the Agency's statutory requirements and local housing initiatives.

II. BACKGROUND

On November 17, 2004, the Chula Vista City Council and Planning Commission held a joint workshop on the City's various planning efforts for the revitalization and redevelopment of Chula Vista's Urban Core. The workshop included a comprehensive presentation on the General Plan Update, Urban Core Specific Plan, and the role of redevelopment in the revitalization efforts for western Chula Vista. The central theme of the workshop was the concept of "The Life Cycle of a Community," as depicted in the illustrative model on the right, which takes a city through four distinct stages of evolution – Emerging,



Thriving, Maturing, Declining – before the cycle leads back to the re-emergence of the city through careful reflection, re-evaluation, repurposing, and re-planning. Below is a brief narrative of Chula Vista's own life cycle to date, which provides important context for this Five Year Implementation Plan.

CHULA VISTA'S LIFE CYCLE

Once the largest lemon growing center in the world, Chula Vista has rapidly grown, developed, and expanded to become one of the nation's fastest growing cities. Initially incorporated in 1911, much of the City's historical growth and development traces back to World War II and the relocation of Rohr Aircraft Corporation to Chula Vista in early 1941. The presence of Rohr and the post-WWII boom brought extraordinary population growth to Chula Vista, along with the demand for housing, roads, schools, public services, and retail services (e.g., shops, restaurants, markets, banks, etc.).



With an established but growing population and employment base, Chula Vista's urban core and business economy thrived with commercial activity and spawned additional housing opportunities for newcomers. As the size and needs of the community continued to grow, local downtown businesses flourished and additional community amenities were created in response to the increasing service and governance demands of local citizens.



Over the next several decades, California's continued rate of population growth and housing production, coupled with Chula Vista's regional and waterfront location between the Mexican border and downtown San Diego, spurred the City's outward expansion and development to the east (east of Interstate-805). Now home to nearly a quarter-million residents, Chula Vista is the second largest city in San Diego County.

As the City has continued to expand outward, and eastern Chula Vista has begun to thrive and mature during the past 15 years, western Chula Vista has experienced a decline in commercial activity and community reinvestment as residents have sought business and retail services elsewhere, including eastern Chula Vista, downtown San Diego, and Mission Valley. The decline in private investment in the urban core has led toward decreased small business retention and attraction, reduced private investment, and a loss of external confidence in the area's housing market. It has also led to the ongoing physical deterioration of some of the City's housing stock, shrinking tax revenues to the City, and a greater need for infrastructure improvements.



To evolve past western Chula Vista's cycle of decline, and create a path toward the reemergence of a thriving economy and housing market, the City Council created a vision for the revitalization of the City's downtown urban core through the City's General Plan Update (adopted on December 13, 2005) and the Urban Core Specific Plan (adopted on April 26, 2007).

THE ROLE OF REDEVELOPMENT

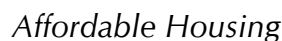
The establishment of a planning and regulatory framework for the City is not the only vital ingredient that will allow a new vision for Chula Vista to unfold. Changes to the General Plan and Zoning Code do not mandate that the area must change but instead means it can change in a well thought-out, logical manner. Urban change and revitalization contain a myriad of "risk variables" that influence market forces and market confidence (or inversely, market risk), including:

- ⇒ Local demographics
- ⇒ Existing housing types and prices
- ⇒ Ability of the market to absorb new units
- ⇒ Development costs (e.g., construction costs, fees)
- ⇒ Interest rates
- ⇒ Ability of the existing housing market to support various product types and pricing

Redevelopment plays an important role in urban revitalization through the tools it can employ to directly influence the private market, reduce risk, and create market confidence. Redevelopment can facilitate new development that might not normally occur under existing market conditions by using its tools to help address the risk variables described above. The tools and requirements of the Redevelopment Agency include (see Appendix A for definitions of terminology):

- ⇒ Tax increment financing to fund public improvements and provide financial assistance to qualifying developers for qualifying projects in the form of gap financing
- ⇒ Required 20 percent monetary set-aside of all tax increment revenues for low- and moderate income housing
- ⇒ 15 percent affordable housing production requirement

- With these tools, redevelopment can act as a catalyst to “jumpstart” the revitalization process in conformance with the City’s land use plans. Once redevelopment efforts create enough market confidence, the private market can run its own course and lead the City back toward a state of thriving through further *risk-taking, renovation, and redevelopment*. By law, however, redevelopment is limited only to areas of a city that are in a state of decline and are physically and economically blighted. Its direct influence on the private housing market is therefore limited to “project areas” adopted by the redevelopment agency. The following map depicts Chula Vista’s redevelopment project areas in shaded zones.

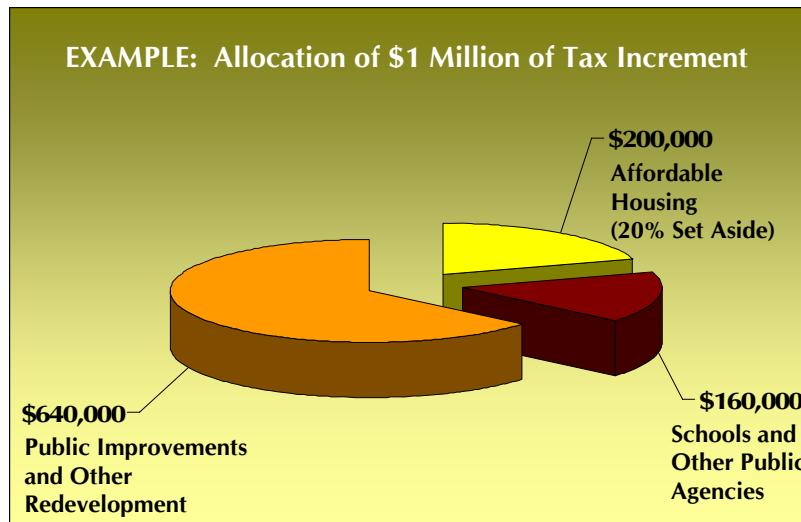


government, redevelopment is the largest provider of affordable housing for California's low and moderate income families. Later sections of this Plan will address the Agency's affordable housing priorities and obligations in much greater detail.



Public Facilities and Infrastructure Improvements

All tax increment monies generated in adopted redevelopment project areas are allocated among three basic public uses: (1) affordable housing, (2) schools and other public agencies, and (3) public improvements and other redevelopment activities. (The pie chart exhibit below provides an example of how \$1 million of tax increment revenues would be allocated among the three uses.) One of the most important benefits of redevelopment is the ability to use tax increment funds to help pay for public improvements that would normally be paid for by the City's general fund. By relieving the City of those financial obligations, redevelopment frees up general fund dollars to help the City focus its resources on other key service and infrastructure priorities inside and outside of redevelopment project areas. The five year work program contained in this Plan recognizes the important role that redevelopment plays in funding public improvements and identifies key infrastructure projects that will be strategically critical to successful redevelopment in the project areas.

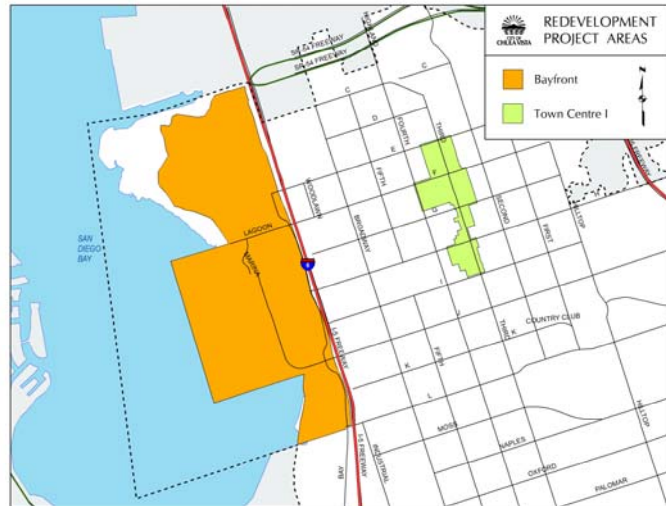


ABOUT THE PROJECT AREAS

The Chula Vista Redevelopment Agency was created on October 24, 1972 by City Council Ordinance No. 1425. Since the Agency's creation, the City has adopted and amended six project areas to encompass a total of approximately 3,563 acres of City territory. Current land uses within these areas are mostly commercial and industrial, but also include residential (primarily high and medium-high density) and public uses (e.g., governmental administrative centers, corporation yards, streets, etc.). In 1979 and 2000, the City financially merged the various project areas into two primary configurations: (1) the Merged Bayfront/Town Centre I Redevelopment Project Area (1979) and (2) the Merged Chula Vista Redevelopment Project Area (2000). The merger of project areas allows the Agency to pool tax increment revenues generated in different project areas and leverage them appropriately to create benefit for the entire merged project area. The following provides a brief historical summary of the Agency's two merged project areas. For more detailed information about each project area, please refer to the *Project Area Profiles* in Appendix D.

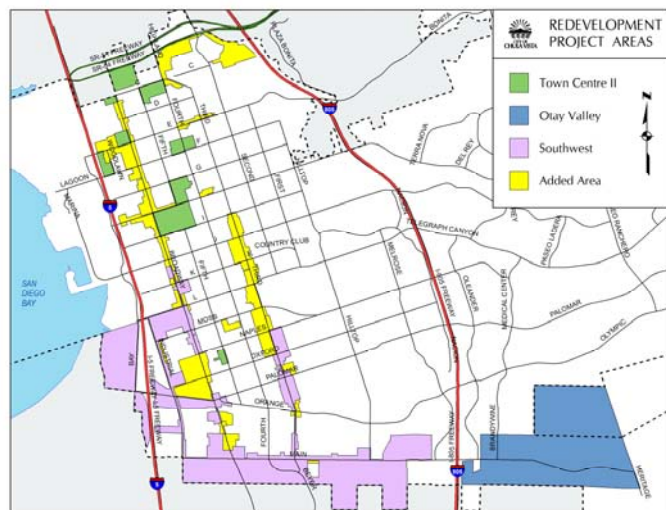
Early Redevelopment Efforts: Merged Bayfront/Town Centre I Project Area

Following its creation in 1972, the Agency's initial focus and resources were dedicated to the City's waterfront and the historic downtown Third Avenue business corridor. In 1974, the City adopted the Bayfront Original Project Area, which encompassed approximately 637 acres of territory east of the mean high tide line. Two years later, the City adopted the Town Centre I Project Area in 1976, encompassing approximately 138 acres of territory located along and around the downtown Third Avenue business corridor. In July 1979, the two project areas were consolidated into a single *Merged Bayfront/Town Centre I Redevelopment Project Area*. To help facilitate planning efforts along the waterfront, the City adopted the Bayfront Amended Project Area in 1998, adding approximately 398 acres of territory west of the mean high tide line to the Merged Bayfront/Town Centre I Project Area.



Growth and Expansion: Merged Chula Vista Project Area

As the City's population and economic growth expanded to the south and east during the next thirty years, the City incorporated additional urbanized territories. The Town Centre II Original Project Area was adopted in 1978 to include a large number of commercial properties along the Broadway business corridor. In 1983, the City adopted the Otay Valley Project Area to capture and leverage revenues generated in the City's Auto Park Specific Plan areas. Five years later, additional territories in the northern, western, and southern sections of the City were included in the City's project areas through the adoption of the Town Centre II Amended Project Area in 1988. In 1985, the City annexed approximately 2,500 acres known as the Montgomery Area and subsequently adopted the Southwest Original Project Area in 1990 to help address the area's historical infrastructure issues as an unincorporated County community. Additional territory was added to that area in 1991 through the adoption of the Southwest Amended Project Area. Most recently in 2004, additional territories spread across western Chula Vista were incorporated to constitute the Added Area Project Area. To streamline and simplify plans and reduce confusion, the City at that time concurrently consolidated each of these areas (Town Centre II, Southwest, Otay Valley, Added Area) into a single *Merged Chula Vista Redevelopment Project Area*.



THE GOALS OF REDEVELOPMENT

As a Five Year Implementation Plan, this Plan establishes a programmatic work plan for implementing and achieving the goals of the Redevelopment Agency over the next five years. Those strategic goals are set forth in the Agency's adopted redevelopment plans for the Merged Bayfront/Town Centre I and Merged Chula Vista Project Areas, and are listed as follows.



Stimulate Economic Growth: Attract, expand, and retain desirable business and industry which effectively increases local employment opportunities for community residents and enhance the tax base of local governments.



Construct Infrastructure Improvements: Provide needed improvements to the utility infrastructure and public facilities that serve the Project Areas. Also, provide needed improvements to the community's education, cultural, and other community facilities to better serve the Project Areas.



Promote Compatible Development: To encourage the development of residential, commercial, and industrial environments which positively relate to adjacent land uses, upgrade and stabilize existing uses, and promote and preserve artistically, architecturally, and historically worthwhile structures and sites.



Balanced Housing Opportunities: Increase, improve, and preserve the community's supply of varied housing opportunities for all persons at all income levels.

The five year work program contained in this Plan (Appendix B) links and cross-references each of the Agency's planned activities for the next five years back to these strategic goals.

III. STRATEGIC PLANNING

STRATEGIC FOCUS

It is the mission of the Chula Vista Redevelopment Agency ***“To enhance urban Chula Vista through collaborative partnerships that realize the physical and economic potential of the community.”*** Achieving this mission will be heavily influenced by the ability of the Redevelopment Agency to effectively create and leverage public resources that attract private investment. Private investment, in turn, will generate and capture local tax increment revenues to improve public facilities, infrastructure, and amenities (e.g., streetscapes, public art, plazas, landscaping, affordable housing, etc.). Improvements to Chula Vista’s urban landscape will further promote greater public and private investment in the local business community, retail base, and housing market.



The strategic focus of the Agency’s work program for the next five years will be to strengthen the financial viability and capacity of the Agency to proactively pursue the revitalization and redevelopment goals of the City. The Agency should leverage existing resources and assets to facilitate high-quality, urban development that will generate significant revenue streams to the City and Agency (e.g., tax increment, sales tax, transient occupancy tax) for public improvements and the creation of new affordable housing. The Agency will continue to prioritize outreach and education to the community about the goals, tools, and benefits of redevelopment, recognizing the critical importance of public participation in the redevelopment process.

GUIDING PRINCIPLES OF REDEVELOPMENT

Consistent with the strategic focus of the Agency, the policy foundation and direction of this Five Year Implementation Plan is rooted in two simple but critical *Guiding Principles of Redevelopment*.

Guiding Principle #1: Leverage Public/Private Investment and Resources

Leverage City/Agency resources to improve public amenities, infrastructure, and affordable housing that attract private investment:

- ***Strategic and accountable public investments***
- ***Land assembly***
- ***Business reinvestment and expansion***
- ***Debt issuance***

Although past redevelopment activities in Chula Vista have resulted in important projects for the City, they have not historically served to strengthen the long-term financial viability of the Agency. To ensure the fiscal health of the Agency, a key priority of the Agency during the next five years will be to leverage existing resources and assets; fund needed public amenities, infrastructure, and affordable housing; and attract and facilitate catalyst projects. This guiding principle establishes important policy direction to spend public resources and assets to improve public spaces and facilities that benefit the community as a whole.

Guiding Principle #2: Community Outreach & Education

Promote and facilitate early and transparent public input and participation that emphasizes community education about the goals, tools, and process of redevelopment.

The Redevelopment Agency recognizes that its success relies heavily on effective community outreach and education about the goals and benefits of redevelopment. It also recognizes the importance of early outreach and education in the redevelopment process. This guiding principle is consistent with the three *Principles of Public Input & Participation* adopted by the City Council on May 24, 2005 as formal policy statements. Those principles were adopted with the creation of the Chula Vista Redevelopment Corporation (“CVRC”) and are as follows:

1. Public input and participation should occur early and often.
2. Public input and participation should be open, inclusive, and accessible.
3. Public input and participation should be educational and informative.

The importance of this principle is demonstrated by the community engagement process that was implemented in the preparation of this plan. The CVRC Directors worked closely with Agency staff and were directly engaged in outreach from the beginning of this process. In April 2009, CVRC Directors and Agency staff held three community workshops in various redevelopment project area locations (Bayfront, North, and South) followed by eight presentations to key stakeholders and community organizations. On May 28, 2009, Agency staff convened a Redevelopment Implementation Plan Working Group (“Working Group”) comprised of 11 volunteers from the following local organizations: Crossroads, Southwest Civic Association, Northwest Civic Association, Chula Vista Chamber of Commerce, Third Avenue Village Association, South County Economic Development Council, Pacific Southwest Association of Realtors, Main Street Businesses, the Broadway Business Association, Chula Vista Civic Association, and Chula Vistans for Community Action. The Working Group met with staff over a seven-month period and accomplished the following:

- Developed and prioritized the redevelopment goals
- Discussed and agreed to the redevelopment strategic objectives
- Reviewed and finalized the redevelopment projects list

The Working Group not only accomplished the above tasks, they also agreed to continue as an ongoing resource working with staff to prioritize and implement redevelopment projects. This provides consistency and strengthens the cooperative relationships between Agency staff, the stakeholders, and the greater community.

Another key component to the process of developing this Plan is the involvement of the CVRC and the Redevelopment Agency. Two joint workshops were held in August and November of 2009. The August workshop included presentations on Redevelopment Basics by John Shirey of the California Redevelopment Association, Redevelopment Agency Financials by Suzanne Harrell, of Harrell and Company, and an overview of the process for developing the Implementation Plan and a draft work plan by Agency staff. The November workshop discussed in detail the draft five year redevelopment work plan along with a review of the Agency financial projections for 2010-2014 and where the Agency is on meeting its housing compliance goals and objectives. These workshops were valuable opportunities for building alignment and understanding between the two bodies, engaging in dialogue with the community, and providing direction to Agency staff.

IV. FIVE YEAR WORK PROGRAM

The core elements of this Five Year Implementation Plan are the five year work programs developed for each of the redevelopment project areas. The work programs share a common sequence of strategic objectives designed to create a logical and strategic plan for successful redevelopment.

STRATEGIC OBJECTIVES

Much of a redevelopment agency's success depends on its ability to time projects to market opportunities, anticipate and respond quickly to the needs of investors, and build bonding capacity to support new development and public improvements. The Agency's five year work programs are structured around three consistent strategic objectives intended to maximize the Agency's responsiveness to market opportunities, manage public and private risk, and facilitate the creation of public improvements and affordable housing.

STRATEGIC OBJECTIVE #1: PLANS & POLICIES

Redevelopment is a catalyst and tool to pursuing a vision that is cast by City leaders through land use plans and policies. Long-range plans that support redevelopment activities provide policy direction to derive the greatest public benefit from redevelopment activities and projects, and discourage inefficient piecemeal development. By establishing land use objectives and policies, development standards, and design guidelines, the City sets the policy stage for redevelopment and helps create a reduced-risk environment that more readily attracts private investment. Land use plans and policies also provide the framework for planning and financing infrastructure that will support new development. Therefore, the first and highest priority in each geographic focus area is the establishment of long-range land use plans and policies that create a vision for redevelopment.

STRATEGIC OBJECTIVE #2: PUBLIC INFRASTRUCTURE & AMENITIES

As land use plans and policies are crafted and updated to support the revitalization goals of the City, the City and Agency must also determine how to proactively finance and build the public infrastructure and amenities needed to support new development. Tax increment generated from new development can be leveraged and spent on public improvements and amenities that benefit the entire project area and neighborhood, and not just individual development projects. Redevelopment dollars used to construct necessary capital improvements can also serve as a catalyst to new development particularly when remediating brownfields. By strategically building infrastructure to promote future development, the Agency will advance the revitalization goals of the City while creating an environment that attracts capital and is more readily responsive to market opportunities.

STRATEGIC OBJECTIVE #3: CATALYST PROJECTS

Redevelopment acts as a "sparkplug" in city revitalization efforts, creating just enough energy and momentum in a city's economic engine to let it rev up and run on its own. By strategically focusing and leveraging resources on a few key "catalyst projects," redevelopment can spark enough market confidence to attract private investment to a city's revitalization vision and plans. The following five year work programs identify these types of key catalyst projects for each project area.

REDEVELOPMENT WORK PROGRAM

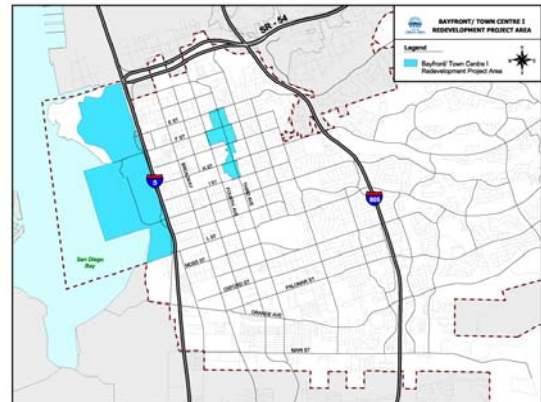
The work programs for each geographic focus area are consistently structured around the three strategic objectives: (1) Plans & Policies, (2) Public Infrastructure & Amenities, and (3) Catalyst Projects. The specific programs, projects, or activities under these objectives, however, will vary from area to area, based on the

unique physical and socio-economic characteristics of each. Detailed five year work programs identifying those programs, projects, and activities for the Bayfront/Town Centre I and Merged Project Areas are located in Appendix B of this Plan. The following provides a summary description of the highlights of the strategic objectives for each redevelopment project area.

Bayfront/Town Centre I Work Program

Plans & Policies

This redevelopment project area is comprised of two distinct areas: the City's historic downtown along Third Avenue, and the Bayfront which contains prime waterfront properties with amazing redevelopment opportunities to create a new and improved marina, a resort conference center, parks and recreation facilities, and new housing. The City and Port of San Diego have spent many years collaboratively developing a Bayfront Master Plan that establishes a vision and policies to guide the development of a world-class bayfront. Completion of these planning activities will require approvals of several local and state agencies, including the California Coastal Commission's approval of an amendment to the City's Local Coastal Program (LCP).



Public Infrastructure & Amenities

Redevelopment will be an integral factor in funding public improvements to support new development and enhance the aesthetic environment of the Urban Core, particularly in the Bayfront. Historical uses in the Bayfront (e.g., Goodrich Corporation, Rohr Aircraft Corporation) were primarily industrial and required limited infrastructure and utility systems to support their operations and activities. Redevelopment of the Bayfront area into a dynamic array of hotel, residential, and recreational uses will require considerable infrastructure upgrades and improvements to support those uses, and developing an infrastructure financing plan will be complex and require significant inter-agency coordination and support. Tax increment financing will be a major contributor to the substantial infrastructure costs in the Bayfront which further necessitates the need to extend the project area time limit. The Bayfront redevelopment area will expire in 2017, two years before Town Centre I.

This will be the last opportunity for the Redevelopment Agency to fund significant improvements in the downtown Third Avenue business corridor because of its location in the Town Centre I Redevelopment Project Area. Adopted in 1976, the Town Centre I Project Area is scheduled to expire in 2019, leaving only 9 years to spend tax increment in the Third Avenue corridor. The following priority projects have been identified for the next five years to improve public infrastructure and amenities:

- ⇒ Third Avenue Streetscape Improvement Master Plan. Public infrastructure and amenities to support key catalyst projects and future redevelopment activity along the downtown Third Avenue business corridor. The plan will include street improvements, street furniture, and lighting to increase walkability and pedestrian interaction, improve circulation and provide for quality design, aesthetics, and identity to the area for marketing and redevelopment. (*Town Centre I, Added Area*)
- ⇒ Amend Original Bayfront Project Area. Extend the timeline to collect tax increment by ten years. (*Bayfront*)
- ⇒ Bayfront Infrastructure Improvements. Finance roadway, sewer and water infrastructure system improvements, construct a fire station, and remediate brownfields that will facilitate the

implementation of the CVBMP that proposes a signature park, resort/convention center, hotels, residential and mixed-use/office commercial, waterfront retail, a new commercial harbor and improved navigation channel, and a public promenade and bike trail. (Bayfront)

Key Catalyst Projects

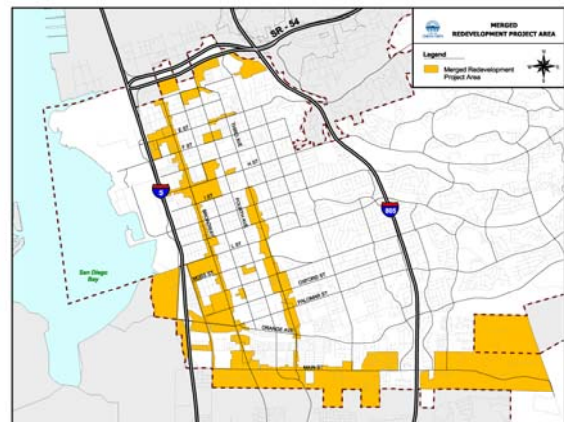
The Agency should leverage existing resources and assets in the Bayfront/Town Centre I Area to facilitate key catalyst projects that will attract new investment to help create and improve public amenities, infrastructure, and housing for all income-levels. The Redevelopment Agency will play an important role in facilitating and negotiating key catalyst projects that will economically anchor the Bayfront Master Plan.

- ⇒ *Third Avenue Redevelopment Opportunities.* Leverage existing resources and assets along the downtown Third Avenue business corridor to collaboratively work with qualified developers, such as Voyage LLC, to design and build high-quality, mixed-use projects that are consistent with the City's vision, plans, and policies for the Urban Core. (Town Centre I, Added Area)
- ⇒ *Resort Conference Center.* Development of a major resort conference center will generate significant tax increment, transient-occupancy tax, and sales tax revenues to provide needed funding for the planning and financing of key public infrastructure and amenities in the Bayfront. (Bayfront)
- ⇒ *Bayfront Residential Development.* Design and development of a major residential project that utilizes the prime waterfront location of the Bayfront, and creates greater activity in the area to support shopping, dining, and recreating. (Bayfront)

Merged Project Area Work Program

Plans & Policies

This redevelopment project area includes a myriad of land uses and historical development patterns. The Otay Valley Project Area encompasses territories east of the I-805 Freeway that are planned for auto dealership uses through the City's Auto Park Specific Plans. Significant development activity is already underway in accordance with those land use plans and policies. It is particularly important to recognize that a large portion of this project area consists of territories annexed to the City 25 years ago after many years as an unincorporated County area. Known as the Montgomery Area, it is characterized by a history of piecemeal development practices, a wide range of incompatible uses, and serious infrastructure deficiencies, including roads, curbs, gutters, and sidewalks. It is also characterized, however, by numerous light-industrial uses and large-sized parcels, particularly along Main Street, that could provide important redevelopment and economic development opportunities to the City, including the creation of new commercial and light-industrial uses, and expansion of existing and compatible uses. Additional residential and commercial development opportunities exist along the southern sections of Third Avenue and Broadway. To create a comprehensive and consistent vision for the successful redevelopment of the Southwest Chula Vista Area, it will be a high priority of the Agency to help fund and coordinate the preparation of a Southwest Specific Plan for the Palomar, West Fairfield, Main Street, Third Avenue and Broadway areas. The Southwest Specific Plan would establish development standards and design guidelines consistent with the land use policies and objectives identified in the Southwest Area Plan of the 2005 General Plan Update.



Public Infrastructure & Amenities

Although the City has made significant progress upgrading Montgomery infrastructure since the 1985 annexation, major deficiencies continue to exist and will need to be addressed to support redevelopment and economic development efforts in the Merged Project Area. Upon completion of the Main Street and Broadway Specific Plans, Streetscape Master Plans will be developed for both those areas to provide the roadmap, financing estimate and timeline for a capital improvement program. Additionally, the Redevelopment Agency is proposing to issue debt to finance the implementation of the improvements described in those plans. These redevelopment activities will compliment the City's Infrastructure Management Program that provides an inventory of infrastructure deficiencies and establishes a prioritization system for addressing those deficiencies.

Key Catalyst Projects

Upon preparation and completion of a Southwest Specific Plan, key catalyst projects in the Merged project area will include:

- ⇒ *Auto Park Expansion.* Explore expansion options and potential for other compatible uses. Eexpansion of the Auto Park area east of the I-805 Freeway will generate much needed tax increment and sales tax revenues. (*Otay Valley*)
- ⇒ *Redevelopment Opportunities.* The South Third Avenue, Broadway, and Main Street corridors will provide important opportunities for redevelopment and economic development. Key catalyst projects along these corridors will generate significant revenues to fund public improvements and amenities in the area. This includes evaluating the reuse options for the historic Salt Works site and the West Fairfield area. (*Southwest, Added Area*)

HOUSING WORK PROGRAM

In addition to the plans, activities, and projects just described in the redevelopment work programs, the facilitation and financing of affordable housing in the project areas is an important and mandatory function of redevelopment. As tax increment revenues are generated in redevelopment project areas, 20 percent of the gross revenue stream is immediately set aside and placed in the Low and Moderate Income Housing Fund (Low-Mod Fund). Those funds, pooled with other federal and state resources and tax credits, provide an important financing tool to assist in the development of income-restricted, affordable housing projects. Low and Moderate Income Housing Funds can also be used to finance housing programs, including for first time homebuyers, land purchases for affordable housing and the rehabilitation of existing multifamily housing.

Housing Compliance

To ensure that redevelopment agencies appropriately plan and use housing set-aside funds for the creation of new affordable housing, state redevelopment law requires that five year implementation plans address three specific areas of housing that redevelopment plays a critical role in:

- ⇒ Housing Production: Based on the number of housing units constructed or substantially rehabilitated over a ten-year period, a Redevelopment Agency must ensure that a percentage (15%) of these units are affordable to low and moderate income households.
- ⇒ Replacement Housing: Redevelopment Agencies must ensure that any housing units destroyed or removed as a result of redevelopment agency activities are replaced within four years.
- ⇒ Low and Moderate Income Housing Funds & Expenditures by Household Type: State law establishes specific requirements on the amount of housing set-aside funds an agency must spend over a 10-year period to facilitate housing that is affordable to very low and low income households.

Please turn to Appendix C for a comprehensive and detailed report on each of these reporting requirements.

Strategic Housing Objectives

In addition to meeting these legal requirements, this Five Year Implementation Plan sets forth strategic housing objectives that promote and build capacity in the Agency's ability to proactively facilitate and fund new affordable housing opportunities in western Chula Vista. These are citywide strategic objectives that apply to all three geographic focus areas, and the redevelopment Project Areas within.

STRATEGIC OBJECTIVE #1: EXPANSION OF REDEVELOPMENT PROJECT AREAS

The Redevelopment Agency's Low and Moderate Income Housing Funds are historically the largest source of funds consistently used to help finance affordable housing. Expansion of the redevelopment Project Areas would further the Agency's legislative charge to remove blight, and strengthen the Agency's ability to leverage Low-Mod Funds for affordable housing, including new construction and land purchases. Expansion of the Project Areas would not increase or impact property taxes that owners are assessed, but instead increase the portion of those taxes that can be locally captured by the Agency, including monies leveraged to fund public infrastructure and amenities. Annual deposits into the Low-Mod Fund for the next five years are currently estimated at approximately \$3 million per year, totaling an estimated \$15.3 million during the FY 2009/10-2013/14 period.

STRATEGIC OBJECTIVE #2: AFFORDABLE HOUSING IN REDEVELOPMENT PROJECT AREAS

To promote safe and sanitary affordable housing in western Chula Vista and to meet the requirements of State law, the Agency should focus and prioritize their Low-Mod Funds within redevelopment project

areas in neighborhoods of greatest need. State redevelopment law contains an inclusionary housing requirement that provides that at least 15 percent of all new and substantially rehabilitated dwelling units developed within a redevelopment project area be available at affordable housing costs to, and occupied by, persons and families of low and moderate income (Health and Safety Code §33413(b)). Of this 15 percent, at least 60 percent must be available to **low and moderate** income persons or families. At least 40 percent must be available to **very low** income persons or families.

While the Agency may spend its Low-Mod Funds to provide affordable housing opportunities outside of the project areas, the Agency must determine, pursuant to Health and Safety Code Section 33334.2(g), that the use of the Agency's Housing funds outside of the project area is of benefit to the area. Additionally, pursuant to Section 33413(b)(2)(A)(ii) , the Agency receives a one (1) unit credit for every two (2) affordable units located outside of the Project Area. In considering the Agency's financial participation in affordable housing outside of the project areas, the Agency shall evaluate each opportunity on a case-by-case basis and take into consideration the economic and public benefits of such participation.

APPENDIX A: TERMINOLOGY

The following are definitions of terms and phrases used throughout this report. This list has been prepared to reduce confusion and avoid their common misuse to describe the City's various planning and redevelopment activities in western Chula Vista.

20 Percent Set-Aside: The California Community Redevelopment Law requires that at least 20 percent of all tax increment revenues generated from a redevelopment project area must be used by the Redevelopment Agency to increase, improve, and preserve the community's supply of affordable housing for persons and families of low and moderate income (Health and Safety Code §33334.2). Health and Safety Code Section 33334.3 further requires that all set-aside funds are required to be held in a separate *Low and Moderate Income Housing Fund* until used, including any interest earned and repayments to the Fund. The Agency may spend monies from the Housing Fund either within or outside of the redevelopment project areas, if the Agency finds that the use of the monies outside will benefit the project areas (§33334.2(g)).

Absorption Rates: The rate at which real estate properties are able to be sold or leased within a designated market region or focus area. Absorption rates are often used to forecast market conditions and analyze the feasibility of a project based on a variety of market factors. Absorption rates are also used to describe the rate of change, turnover of property, and creation of new housing units over an identified period of time.

Affordable Housing: Housing that has a deed restriction regulating the maximum income level of occupants and the maximum rent or sales price.

Agency Participation: The direct participation of a redevelopment agency in a project through the execution of an agreement with the developer (e.g., Disposition and Development Agreement, Owner Participation Agreement). Such an agreement for a redevelopment project triggers the requirement for an Agency to: (1) provide relocation assistance and benefits to residents and business owners; and (2) replace housing units on a one-for-one basis if the project will destroy housing for low- or moderate income residents.

Blight: A primary legislative charge of a redevelopment agency is to eliminate blight. Territory included within a redevelopment project area must therefore meet specific statutory requirements regarding blight. Health and Safety Code Section 33030 defines "blighted area" as one that is: (1) predominately urbanized; (2) underutilized to the extent that it constitutes a serious physical and economic burden on the community; and (3) characterized by one or more physical or economic conditions as described and set forth in Section 33031:

33031. (a) This subdivision describes physical conditions that cause blight:

(1) Buildings in which it is unsafe or unhealthy for persons to live or work. These conditions may be caused by serious building code violations, serious dilapidation and deterioration caused by long-term neglect, construction that is vulnerable to serious damage from seismic or geologic hazards, and faulty or inadequate water or sewer utilities.

(2) Conditions that prevent or substantially hinder the viable use or capacity of buildings or lots. These conditions may be caused by buildings of substandard, defective, or obsolete design or construction given the present general plan, zoning, or other development standards.

(3) Adjacent or nearby incompatible land uses that prevent the development of those parcels or other portions of the project area.

(4) The existence of subdivided lots that are in multiple ownership and whose physical development has been impaired by their irregular shapes and inadequate sizes, given present general plan and zoning standards and present market conditions.

(b) This subdivision describes economic conditions that cause blight:

- (1) Depreciated or stagnant property values.
- (2) Impaired property values, due in significant part, to hazardous wastes on property where the agency may be eligible to use its authority as specified in Article 12.5 (commencing with Section 33459).
- (3) Abnormally high business vacancies, abnormally low lease rates, or an abnormally high number of abandoned buildings.
- (4) A serious lack of necessary commercial facilities that are normally found in neighborhoods, including grocery stores, drug stores, and banks and other lending institutions.
- (5) Serious residential overcrowding that has resulted in significant public health or safety problems. As used in this paragraph, "overcrowding" means exceeding the standard referenced in Article 5 (commencing with Section 32) of Chapter 1 of Title 25 of the California Code of Regulations.
- (6) An excess of bars, liquor stores, or adult-oriented businesses that has resulted in significant public health, safety, or welfare problems.
- (7) A high crime rate that constitutes a serious threat to the public safety and welfare.

California Community Redevelopment Law: The authority to establish a redevelopment agency, and the authorities granted to an agency, including the adoption and implementation of a redevelopment plan, is granted and governed by the California Community Redevelopment Law. The Law is contained in California Health and Safety Code Sections 33000, et seq.

Eminent Domain: Eminent domain is considered by the U.S. and California Constitutions as the sovereign right of government to take private property for public use. The U.S. Constitution limits the use of eminent domain by providing that "private property shall not be taken for a public use, without just compensation." Some state legislatures further limit, or establish procedures for, the use of eminent domain. In California, the legislature has enacted a comprehensive statute known as the Eminent Domain Law, contained in Sections 1230.010, et seq, of the California Code of Civil Procedure. The California Community Redevelopment Law provides for the use of eminent domain to eliminate blight. The Chula Vista Redevelopment Agency has adopted local policies within the City's Redevelopment Plan for the Merged Chula Vista Project Area that prohibit the use of eminent domain on any property that is both zoned and used for residential purposes.

Housing Element: The State of California requires cities and counties to prepare a Housing Element as part of their comprehensive General Plans. The Housing Element must address the housing need for all income levels through adequate zoning, policies, and programs. The City of Chula Vista's existing Housing Element (originally created for the 1999-2004 planning cycle) was approved by the State of California in 1999. The City is in the process of updating the Housing Element to address similar housing needs and policy issues for the 2005-2010 planning cycle.

Redevelopment Inclusionary Housing Requirement: Redevelopment law requires that at least 15 percent of all new and substantially rehabilitated dwelling units developed within a redevelopment project area be available at affordable housing costs to, and occupied by, persons and families of low and moderate income (Health and Safety Code §33413(b)). Of this 15 percent, at least 60 percent must be available to low- and moderate income persons or families. At least 40 percent must be available to very low income persons or families.

Redevelopment Project Area: Territories adopted by and placed under the jurisdiction and authority of a redevelopment agency. Within project area boundaries, the Agency may use its general powers to collect tax increment revenues, create a Low and Moderate Income Housing Fund, and conduct other redevelopment activities in accordance with the California Community Redevelopment Law. A project area is a "predominantly urbanized area of a community which is a blighted area, the redevelopment of which is

necessary to effectuate the public purposes” of a Redevelopment Agency as set forth under state law (Health and Safety Code §33320.1).

Relocation Assistance: When applicable, Federal and state laws establish extensive relocation rules and regulations for cities and redevelopment agencies.

- ⇒ The Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) dictate relocation regulations in relation to the public acquisition of real estate for a Federal project or a project in which Federal funds are used.
- ⇒ California Government Code (beginning at Section 7260) prescribes the process and procedures for relocation assistance by public agencies when applicable.

Replacement Housing: Subdivision (a) of Section 33413 the California Health and Safety Code sets forth the Redevelopment Agency’s statutory requirements for replacement housing:




















33413. (a) Whenever dwelling units housing persons and families of low or moderate income are destroyed or removed from the low- and moderate income housing market as part of a redevelopment project that is subject to a written agreement with the agency or where financial assistance has been provided by the agency, the agency shall, within four years of the destruction or removal, rehabilitate, develop, or construct, or cause to be rehabilitated, developed, or constructed, for rental or sale to persons and families of low or moderate income, an equal number of replacement dwelling units that have an equal or greater number of bedrooms as those destroyed or removed units at affordable housing costs within the territorial jurisdiction of the agency. When dwelling units are destroyed or removed after September 1, 1989, 75 percent of the replacement dwelling units shall replace dwelling units available at affordable housing cost in the or a lower income level of very low income households, lower income households, and persons and families of low and moderate income, as the persons displaced from those destroyed or removed units. When dwelling units are destroyed or removed on or after January 1, 2002, 100 percent of the replacement dwelling units shall be available at affordable housing cost to persons in the same or a lower income category (low, very low, or moderate), as the persons displaced from those destroyed or removed units.

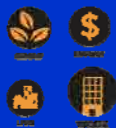






Tax Increment: Tax increment is the primary source of revenue that redevelopment agencies have to fund and undertake public improvement and affordable housing projects. It is based on the assumption that a revitalized project area will generate more property taxes than were being produced before redevelopment. When a redevelopment project area is adopted, the current assessed values of the property within the project area are designated as the base year value. Tax increment comes from the increased assessed value of property, not from an increase in tax rate. Any increases in property value, as assessed because of change of ownership or new construction, will increase tax revenue generated by the property. This increase in tax revenue is the tax increment that goes to the Agency.





















APPENDIX B: REDEVELOPMENT WORK PROGRAMS (2010-2014)







During the next five years, the Agency will undertake certain projects and activities in the redevelopment project areas in accordance with the strategic objectives described in this Plan: (1) Plans & Policies, (2) Public Infrastructure & Amenities, and (3) Key Catalyst Projects. The following work programs are organized by redevelopment project areas: Bayfront/Town Centre I Project Area and Merged Project Area.

PROJECT DESCRIPTIONS, BENEFITS AND TIMELINE




Goals & Objectives/ Implementing Programs	Description	Benefits    	Estimated Timeline				
			2010	2011	2012	2013	2014
Bayfront / Town Centre I Project Area							
Bayfront							
Support approval and implement the Chula Vista Bayfront Master Plan (CVBMP), including certification of the Bayfront EIR, Local Coastal Program Amendment, and Port Master Plan Amendment	Continue funding staff to implement the Bayfront Master Plan. The Plan is a result of a multi-year comprehensive planning effort.	   	•	•	•		
Finance Public Infrastructure Improvements	Finance public infrastructure improvements and remediation activities that will facilitate redevelopment of the Bayfront	  					•
Enter into Development Agreement with Pacifica Companies	Enter into an Ownership Participation Agreement (OPA) that ensures the orderly and timely development of this mixed-use project	   	•	•			
Amend Original Bayfront Project Area	Prepare plan amendment to extend the timeline to collect Tax Increment by 10 years	   	•	•			

Goals & Objectives/ Implementing Programs	Description	Benefits 	Estimated Timeline				
			2010	2011	2012	2013	2014
Co-market with Port District Resort Conference Center development opportunity	Collaborate on incentive package for marketing the RCC site for development				•	•	•
Third Avenue							
Finance completion of Third Avenue Streetscape Master Plan (TASMP) Improvements	Total capital improvement budget is \$6 million. Additional monies from the RDA to fund the current shortfall for construction			•			
Implement Agreement with Sweetwater Union High School District to redevelop site on Third Avenue	The Agency has an agreement with SUHSD to develop the former Windmill farm site. The Agreement requires SUHSD to develop offices or a mixed-use project.		•	•	•	•	•
Sell and redevelop Agency-owned site at Third and E	This is an entryway site to the Third Avenue District and is a mixed use development opportunity.		•	•	•	•	•
Enter into a DDA with Voyage LLC for development of Agency-owned sites	Construct a residential/live-work development, in accordance with the UCSP		•				
Pursue development opportunities for Vogue Theatre site	Determine feasibility of developing Vogue Theatre site		•				

Goals & Objectives/ Implementing Programs	Description	Benefits <div></div>	Estimated Timeline				
			2010	2011	2012	2013	2014
Merged Chula Vista Project Area							
E Street Trolley Station							
Market and develop the former City Corp yard site at F and Woodlawn for development	Actively seek potential developers through a RFQ/RFP and work toward redevelopment of the site	<div></div>	•	•	•	•	•
H Street Corridor							
Implement Gateway DDA	Implement the existing Disposition and Development Agreement. Upon completion the project will provide more than 300,000 SF of Class A Office Space	<div></div>			•	•	•
Implement development agreement with Scripps to develop medical office building at current site	Implement the agreement which obligates Scripps to build medical offices and a Cancer facility on its property along H Street	<div></div>	•	•			
Work with General Growth Properties (GGP) on Chula Vista Center opportunities	The owner of Chula Vista Center declared bankruptcy in early 2009. The Agency and the ED division will work with GGP to develop short and long-term goals for improving this Center	<div></div>		•	•		

Goals & Objectives/ Implementing Programs	Description	Benefits 	Estimated Timeline				
			2010	2011	2012	2013	2014
Finance and complete ULI National Study	Contract with ULI National to study E Street, H Street, and Third Avenue which are primary links between downtown CV and the bayfront.		•	•			
Southwest							
Southwest Specific Plans for Palomar, West Fairfield, Main Street, Third Avenue and Broadway	Southwest Specific Plans provide land use designations, development standards and identify necessary infrastructure improvements		•	•	•		
Prepare Main Street Streetscape Master Plan	Develop a Streetscape Plan for Main Street		•	•	•		
Prepare South Third and Broadway Streetscape Master Plan	Develop a Streetscape plan for South Third and Broadway based on the Urban Core Specific Plan and Broadway and South Third Avenue Specific Plans		•	•	•		
Issue Debt to Finance Main Street, South Third and Broadway Improvements	Issue debt to fund infrastructure improvements identified in the streetscape master plans						•

Goals & Objectives/ Implementing Programs	Description	Benefits    	Estimated Timeline				
			2010	2011	2012	2013	2014
Participate in discussion regarding reuse options for historic Salt Works site	Support existing efforts, facilitated by SANDAG, to scope development alternatives for the site		•	•	•	•	•
Acquire for-sale residential property in West Fairfield Area	The Agency will work to acquire property for the purpose of consolidating properties to create a larger development area.		•	•	•	•	•
Implement Environmental Remediation Program	Complete Phase I assessments and apply for additional funding opportunities for assessments and cleanup		•	•	•	•	•
Otay Valley							
Conduct feasibility study for new Eco-technology industrial park	Prepare economic feasibility study for developing an eco-friendly industrial park on the 54-acre site adjacent to the existing landfill	   	•	•			
Expand Chula Vista Autopark	Evaluate potential for growth in the existing specific plan areas	   	•	•	•	•	•
New Peaker Plant Facility on Energy Way and remove facility on Main Street	Build a new Peaker Facility along Energy Way in place of the existing Peaker Plant facility on Main Street	   		•	•		

Programs							
Implement Broadway Economic Development Strategy and Collaborate with the Broadway Business Association	Partner with the BBA to implement programs that enhance the commercial corridor		•	•	•	•	•
Fund and implement Business Improvement Grant Program	The BIG Program provides up to \$20,000 to eligible property and business owners for exterior façade improvements		•	•	•	•	•
Market San Diego Regional Enterprise Zone	The EZ Program provides a state tax credit to eligible employers and employees for hiring local residents, purchase of equipment and machinery, etc.		•	•	•	•	•

APPENDIX C: AFFORDABLE HOUSING PRODUCTION PLAN

“The Legislature finds and declares that the provision of housing is itself a fundamental purpose of the Community Redevelopment Law and that a generally inadequate statewide supply of decent, safe, and sanitary housing affordable to persons and families of low or moderate income, as defined by Section 50093, threatens the accomplishment of the primary purposes of the Community Redevelopment Law, including job creation, attracting new private investments, and creating physical, economic, social, and environmental conditions to remove and prevent the recurrence of blight.”

Health and Safety Code Section 33334.6(a)

OVERVIEW

To ensure that low and moderate income families have housing opportunities available to them as project areas change and redevelop, state law establishes three fundamental requirements of redevelopment agencies (listed below). As a result of these requirements, redevelopment agencies play an important role in the funding and production of affordable housing for the entire community.

- ⇒ Housing Production: Based on the number of housing units constructed or substantially rehabilitated over a ten year period, a Redevelopment Agency must ensure that a percentage of these units are affordable to low and moderate income households.¹
- ⇒ Replacement Housing: Redevelopment Agencies must ensure that any housing units destroyed or removed as a result of an Agency redevelopment project are replaced within four years.
- ⇒ Low and Moderate Income Housing Funds & Expenditures by Household Types: A minimum of 20 percent of all of “tax increment” revenues must be set aside for the development of affordable housing. The law establishes specific requirements for the amount of housing set-aside funds an agency must spend over a 10-year period on housing that is affordable to very low and low income households.

This section of the Implementation Plan addresses these three specific requirements of State law with respect to prior affordable housing activities and the anticipated housing program in the future. The Plan specifically demonstrates how the Agency has met its obligations in years prior to 2010 and the activities, policies and/or procedures that the City and Agency may pursue to increase and encourage the provision of housing affordable to very low and low or moderate income households within the current 10 year forecast of 2004-05 to 2013-14.

HOUSING PRODUCTION

The Agency must ensure that very low and low and moderate income households have opportunities to reside within Redevelopment Project Areas as these areas change and redevelop, through the provision of affordable housing. When new or substantially rehabilitated housing is produced within Redevelopment Project Areas, the Agency incurs an obligation to



¹ Since the Bayfront Original Project Area was adopted prior to 1976, State Law does not trigger production requirements. However, it does apply to Bayfront Amended area.

provide a portion of these housing units as affordable to very low and low and moderate-income households. This requirement is known as the inclusionary housing or production requirement (California Health and Safety Code §33413).

The requirement for affordable housing differs for Agency-developed housing versus privately-developed housing. If housing is developed by the Agency, the Agency's requirement to provide affordable housing is based upon a minimum of thirty percent (30%) of these housing units. Not less than half of these units, or fifteen percent (15%), shall be available for very low income households. The requirement is a minimum of fifteen percent (15%) when developed by persons or entities other than the Agency. At least forty percent (40%) of these units (or 6% of the total) must be available for very low income households. Historically, the Agency has not directly developed any housing and does not anticipate developing housing in the future. Instead, the Agency relies on other entities to develop housing with the assistance of the Agency where feasible and appropriate.

The Inclusionary Housing requirements apply to the aggregate of all housing in the project areas. It is therefore not necessary that each residential development include the required percentage of affordable housing. With multiple project areas, the Agency may satisfy its inclusionary housing requirements in the aggregate among the various project areas, so long as the aggregation does not cause racial, ethnic, or economic segregation, and outside of the Project Areas. When the Agency seeks to meet its affordable housing requirement outside of the Project Areas, two affordable housing units must be provided for every one housing unit required and the Agency must make a determination of benefit to the Project Areas.

Anticipated Affordable Housing Production

To meet its housing production requirement for the 10-year period and the life of the Redevelopment Plans, the Chula Vista Redevelopment Agency partners with private housing developers to provide affordable housing for low and moderate income households. The Agency assists in the creation of new housing developments and the rehabilitation of existing housing both within and outside of the Project Areas.

The Agency has received credit for affordable housing built primarily outside of the Project Areas through the continued implementation of the Balanced Communities Policy 5.1 of the City's Housing Element, which requires all new housing developments of 50 units or more to provide 10 percent of the housing as affordable to low and moderate income households.

Over the past ten year period, there has been very little housing development within the Project Areas due to the limited availability of residentially zoned land. However, the Agency was able to participate in numerous affordable housing developments, mostly outside of the Project Areas. From Fiscal Years 1980 through 2003-04, a total of 373 new housing units were produced within the Project Areas, resulting in a total affordable housing requirement of 58 units (see Table 1). Within this time period, the Agency exceeded its housing production requirement with a surplus of 321 units inside and outside of the Project Areas. The surplus units, of which 44 units are for very low income households, will be used to satisfy the Agency's future production requirements for the ten-year period of FY 2004-05 through 2013-14.

It was originally anticipated that new construction of housing would increase significantly during the ten-year period from 2004-05 through 2013-14 due to the growth in the City's population and its ongoing redevelopment focus in the City's Urban Core. In 2006, the flourishing US housing market began to see a slowdown with home prices and home equity slipping, and inventories of unsold homes piling up. The housing market has been a big contributor to economic growth since 2001, accounting for three quarters of the nation's job growth. Economic indicators show that the US entered a recession in late 2007. The burst in the US housing bubble and sub prime mortgage crisis have contributed significantly to the current recession.

Faced with dropping housing values, retirement and savings decimated by the stock market, and rising unemployment, consumer confidence and consumption are at all time lows. It is anticipated that economic recovery will take a long time.

Given the current recessionary circumstances and the tightening of capital for construction and permanent financing, the City anticipates little new construction of housing within the Redevelopment Project Areas during the ten-year period from 2004-05 through 2013-14. The ten-year forecast includes actual projects approved, projects in the process of completion by the Agency, and potential housing units proposed in the work program of this Implementation Plan, as detailed in Appendix B.

During the current 10-year period, it is estimated that approximately 338 total housing units will be built within the Project Areas in accordance with the Redevelopment Work Program (Appendix B). Based upon this estimate, the Agency is required to provide 52 low and moderate income housing units, of which, 21 very low income units are required. During this period, the Agency expects to assist in the production of a total of 354 affordable housing units, of which approximately 130 may be designated as very low income. The Agency is able to participate in more units than will be built within the project areas because of assistance to affordable units outside of the project areas. The Agency expects to exceed its housing production requirement for very low and low and moderate units during the ten-year period with a surplus of 302 affordable units. See Table 1 for a comprehensive summary of the Agency's affordable housing requirements during: (1) the initial period (1980 to 1993-1994), (2) the previous 10-year period (1994-95 to 2003-04), (3) the current 10-year period (2004-05 to 2013-14), (4) the following 20-year period (2014-15 to 2033-34), and (5) the cumulative duration of all redevelopment plans (1994-95 to 2033-34).

Based upon these projections, it is estimated that the Agency will exceed the requirements for very low income and low and moderate-income households through the duration of the Redevelopment Plans. Should actual housing production exceed the estimated projections of this Plan, the Agency intends to leverage its available financial resources to assist private entities to provide affordable housing.

Table 1: Affordable Housing Production

TIME PERIOD		Total Housing Production	AFFORDABLE HOUSING (for Low & Moderate Income)							
			Very Low	Required Low & Mod	TOTAL	Very Low	Produced Low & Mod	TOTAL	Very Low	Net Surplus/Deficit Low & Mod
1980 to 1993-94										
Merged Bayfront/Town Centre I Project Area	235	15	21	36	0	0	0	(15)	(21)	(36)
Merged Chula Vista Project Area	109	7	10	17	0	0	0	(7)	(10)	(17)
Outside Project Areas					0	0	0	0	0	0
SUBTOTAL	344 ²	22	31	53	0	0	0	(22)	(31)	(53)
PREVIOUS 10-YEAR PERIOD (1994-95 to 2003-04)										
Merged Bayfront/Town Centre I Project Area	0	0	0	0	0	0	0	0	0	0
Merged Chula Vista Project Area	29	2	3	5	12	14	26	10	11	21
Outside Project Areas					56	297	353	56	297	353
SUBTOTAL	29	2	3	5	68	311	379	66	308	374
CURRENT 10-YEAR FORECAST (2004-05 to 2013-14)										
Merged Bayfront/Town Centre I Project Area	15	1	2	3	0	0	0	(1)	(2)	(3)
Merged Chula Vista Project Area	323	20	29	49	84	103	187	64	74	138
Outside Project Areas					46	121	167	46	121	167
SUBTOTAL	338	21	31	52	130	224	354	109	193	302
FOLLOWING 20-YEAR FORECAST (2014-15 to 2033-34)										
Merged Bayfront/Town Centre I Project Area	1,750	105	158	263	20	80	100	(85)	(78)	(163)
Merged Chula Vista Project Area	800	48	72	120	20	80	100	(28)	8	(20)
Outside Project Areas					0	0	0	0	0	0
SUBTOTAL	2,550	153	230	383	40	160	200	(113)	(70)	(183)
CUMULATIVE REDEVELOPMENT PLAN DURATION (1994-95 to 2033-34)										
Merged Bayfront/Town Centre I Project Area	2,000	121	181	302	20	80	100	(101)	(101)	(202)
Merged Chula Vista Project Area	1,261	77	114	191	116	197	313	39	83	122
Outside Project Areas					102	418	520	102	418	520
SUBTOTAL	3,261	198	295	493	238	695	933	40.0	399.5	439.5

² This data has been revised from the 2005 to 2009 Redevelopment Implementation Plan to better reflect the time period in which affordable housing units were produced and to reduce the number of affordable units produced from 389 units to 373 affordable units from 1980 to 2003-04. The number of affordable units produced was reduced as a result of the lack of the appropriate restrictions needed under State law to consider such units as affordable to the benefit of the Redevelopment Agency.

REPLACEMENT HOUSING

In accordance with Section 33413(a) of the Health and Safety Code, whenever a dwelling unit housing persons or families of low or moderate income are destroyed or removed from the housing market as part of a redevelopment project that is subject to a written agreement with the Agency or where financial assistance has been provided by the Agency, the Agency is responsible for replacing that unit within four years. Replacement housing must have an equal or greater number of bedrooms as those units removed and must be affordable to equal or lower income levels as those displaced. As of 2002, the Agency had replaced all 50 units removed from the redevelopment project areas. The Agency does not have any outstanding replacement housing obligations and is in full compliance with the statutory requirements.



During the Implementation Plan period, the Agency anticipates very little commercial and residential development given the current economic recession. Since most existing land uses in the Project Areas are commercial, any new development opportunities, that may arise, will likely take place on underutilized commercial properties or properties that are currently vacant. The Agency anticipates that Agency-assisted projects will not result in the displacement or removal of housing units and no replacement housing obligations will be incurred.

HOUSING FUND REVENUES & EXPENDITURES

California Redevelopment Law requires a Redevelopment Agency to direct a minimum of 20 percent of all gross tax increment revenues generated within its Project Areas to a separate fund to be used exclusively for the preservation, improvement, and expansion of the low and moderate income housing supply within the community. This section summarizes the Agency's Low and Moderate Income Housing Fund resources and units assisted from FY 2004-05 through 2008-09, as well as resources and activities anticipated for this current period from FY 2009-10 through 2013-14. Additionally, this section analyzes the Agency's expenditure of these funds in relation to the community's need for very low and low income housing, as well as the proportion of the population under the age of 65, as required by Section 33334.4 of the Health and Safety Code.

Housing Fund Expenditures: FY 2004-05 through 2013-14

The Agency expended approximately \$7,818,100 over the last five years from FY 2004-05 through 2008-09 to assist low and moderate income households. These funds were expended for the production of 146 affordable housing units, the rehabilitation of 84 single family homes and mobile homes, and the maintenance and operation of mobile home spaces.

Table 2: Housing Units Assisted with Low-Mod Housing Funds

Description	2004-05	2005-06	2006-07	2007-08	2008-09	TOTAL
Project Areas						
Brisa del Mar	105					105
Los Vecinos					41	41
TOTAL	105	0	0	0	41	146

Housing Expenditures by Household Type

Effective January 1, 2002, the Agency's expenditure of Low-Mod Funds must be in proportion to the community's need for very low and low income housing and housing for its population under the age of 65. The City bases its housing needs for each income category from the Regional Housing Needs Assessment and is specified within the City of Chula Vista's Housing Element. New legal requirements took effect in 2006 that modified the previous limitation on spending Low-Mod Fund monies on households under the age of 65³.

Prior to 2006, Section 33334.4(b) of CRL required that an agency spend its Low-Mod Fund monies "in at least the same proportion as the population under age 65 bears to the total population based on the most recent census." The 2006 changes provide a higher level of specificity to spend "in at least the same proportion as the number of low-income households with a member under age 65 bears to the total number of low-income households of the community as reported in the most recent census."

Table 3 below specifies the legal limitations governing the expenditure of the Low-Mod Funds. The moderate income category represents a maximum figure for expenditures for moderate income households, although such funds (within this category) can be spent on very low or low income households. The chart specifically details the Agency's Low-Mod Fund expenditure during the first five years of the Compliance Period and the projected expenditures during the remainder of the Compliance Period. The Agency anticipates meeting their Low-Mod Fund targeting requirements by the end of the Compliance Period.

Table 3: Proportionality Requirement for Low-Mod Fund Expenditures

Household Type	No. of Households	Percentage of Housing Funds to be Expended	
Income ¹			
Very Low Income	3,845	39%	Minimum
Low Income	2,704	28%	Minimum
Moderate Income	3,255	33%	Maximum
TOTAL	9,804	100%	
Age ²			
Households Under Age 65 Type	17,573	73%	Minimum
Housholds Over Age 65	6,421	27%	Maximum
TOTAL	23,994	100%	

Notes:

(1) 2005-2010 Chula Vista Housing Element; RHNA

(2) 2000 U.S. Census; Low Income Households

Table 4 on the following page documents the amount of Low-Mod Fund revenue used since January 2002 for these income categories and for families and seniors. Based upon the expenditures to date, the Agency is on target for its expenditure of Low-Mod Funds by income categories and household type to meet the legal requirements for expenditures in proportion to the community's housing needs by income category for the 10-year period. The Agency will need to continue to monitor and target its funding to ensure continuing compliance with the expenditure requirements for the duration of the Redevelopment Plan.

³ The intent of the legislation was to ensure that Housing Funds were not exclusively or extensively used by community senior housing projects and programs.

Table 4: Housing Expenditures and Proportionality Since 2001-02

Description	2001-2003		2004-05		2005-06		2006-07		2007-08		2008-09		TOTAL		% of	% of
	Units	\$	Units	\$	Units	\$	Units	\$	Units	\$	Units	\$	Units	\$	TOTAL	NEED
Household Type																
Families	166	3,922,388	122	773,044	0	1,000,000	3.5	57,248	43.5	5,085,264	0	548,000	335	11,385,945	83%	73%
Seniors	101	1,900,150	3.5	9,901	11.5	104,882	7.5	87,821	8	148,023	2	3,916	133.5	2,254,692	17%	27%
TOTAL	267	5,822,538	125.5	782,945	11.5	1,104,882	11	145,069	52	5,233,287	2	551,916	468.5	13,640,637	100%	100%
Income Category																
Very Low	74	1,315,043	10	63,678	0	127,355	8.5	139,032	40.5	4,182,126	0	447,048	132.5	6,274,282	46%	39%
Low	88	2,475,407	61.5	526,141	11.5	591,274	2.5	6,037	11	1,051,161	2	104,868	176.5	4,754,889	35%	28%
Moderate	106	2,032,088	54	193,126	0	386,252	0	-	0	-	0	-	159.5	2,611,467	19%	33%
TOTAL	267	5,822,538	125.5	782,945	11.5	1,104,882	11	145,069	51.5	5,233,287	2	551,916	468.5	13,640,637	100%	100%

Future Housing Activities: FY 2009-10 through 2013-14

During the Implementation Plan period, the Agency will concentrate on housing activities that are most applicable to the Agency's goals and objectives. In developing its affordable housing program, the Agency has been guided by the goals and objectives of the City's Housing Element and General Plan, incorporated into this Plan by reference. Through its activities, the Agency will support and advance the overall Housing Element program.

Housing Program

While the Agency's Strategic Objective is to focus and prioritize its resources within redevelopment project areas, with few properties within these areas zoned for residential use or occupied by residential uses, limited opportunities exist to produce or rehabilitate housing for low and moderate-income households within the Project Areas. The implementation of the City's Balanced Communities Policy has continued to provide an opportunity for the Agency to leverage its resources to provide affordable housing. Should the Agency make progress towards its Strategic Objective to expand the Project Areas, the Agency will be in a better position to focus its resources within these Areas.

Given the current recessionary circumstances and few properties within the Redevelopment Project Areas zoned for residential use, the Agency anticipates limited residential activity for FY 2009-10 through FY 2013-14 within the Project Areas. The Agency does not anticipate assisting in the new construction of affordable housing units or the rehabilitation of housing units within the Project Areas.

The Agency will partner with private entities to provide both new rental housing and rehabilitate existing rental units outside of the Project Areas, for a total of 272 housing units or 136 credits. To accomplish these activities, the Agency will expend approximately \$9.9 million.

Table 5: Low-Mod Housing Fund Spending Plan - Citywide

Description	2009-10		2010-11		2011-12		2012-13		2013-14		TOTAL	
	\$	Units	\$	Units	\$	Units	\$	Units	\$	Units	\$	Units
Project Areas												
New Construction of Housing											-	-
Rehab of Multifamily Housing											-	-
First Time Homebuyer											-	-
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-
Outside of Project Areas												
New Construction of Housing	4,000,000	71							4,500,000	50	8,500,000	121
Rehab of Multifamily Housing									1,384,500	15	1,384,500	15
First Time Homebuyer											-	-
Subtotal	4,000,000	71	-	-	-	-	-	-	5,884,500	65	9,884,500	136
TOTAL	4,000,000	71	-	-	-	-	-	-	5,884,500	65	9,884,500	136

Notes:

(1) All anticipated production/rehabilitation of affordable housing units is anticipated to be outside of the Project Areas. The unit count above reflects the actual credit of 136 units based upon 272 affordable units actually provided (2 units for 1 credit outside of the Project Area).

The Agency intends to expend a proportionate amount of these funds for the various income categories and senior households. Funds will be allocated from FY 2009-10 through 2013-14 in accordance with the targeted need as follows. The targeted percentage is slightly higher than the proportionate share of need outlined within the Housing Element to balance the proportionate share of prior years' expenditures.

Table 6: Low-Mod Housing Fund Spending Plan by Household Type

Household Type	Proportionate Target
Very Low Income	50%
Low Income	31%
Moderate Income	19%
Senior Housing	19%
TOTAL	

Housing Revenue

Based upon the existing Low-Mod Fund balance of \$10.2 million (as of June 30, 2009) and the estimated revenue received by the Agency from 2009-10 through 2013-14, approximately \$25,582,355 will be available to fund the Agency's Housing Program. For FY 2009-10, approximately \$3 million was deposited into the Low-Mod Fund for eligible housing activities. Over the five-year period ending on June 30, 2014, staff conservatively estimates that the Project Areas will generate approximately \$15.3 million in 20 percent housing set aside revenue. The details of these projections are provided in Appendix B.

Table 7: Low-Mod Fund Revenue

Low and Moderate Income Housing Fund	2009-10	2010-11	2011-12	2012-13	2013-14	TOTAL
Total Annual Deposits						
Bayfront/Town Center I	\$1,002,432	\$1,022,481	\$1,042,930	\$1,063,789	\$1,085,065	\$ 5,216,696
Merged Amended Chula Vista	\$1,942,645	\$1,981,498	\$2,021,128	\$2,061,550	\$2,102,781	\$ 10,109,603
Interest & Other Income ⁽¹⁾	\$5,345	\$6,240	\$6,046	\$5,845	\$5,638	\$ 29,114
Revenue: 2009-10 to 2013-14	\$2,950,422	\$3,010,219	\$3,070,104	\$3,131,184	\$3,193,484	\$ 15,355,413
Existing Balance as of 06/30/2009						\$10,226,942
TOTAL FUNDS						\$ 25,582,355

Notes:

⁽¹⁾ Interest is only from Civic Center Barrio Housing interest payments per the amortization schedule.

State Budget Legislation

Due to the magnitude of the State's ongoing structural budget deficit, the State has taken legislative actions in the past four fiscal years that has impacted available property tax revenues for California redevelopment agencies. The State adopted Assembly Bill 26 4x (AB 26 4x) to shift approximately \$2.05 billion, \$1.7 billion in FY 2009-10 and \$350 million in FY 2010-11 in property tax revenues from California redevelopment agencies, which will be deposited in county "Supplemental" Educational Revenue Augmentation Funds (SERAF) to be distributed to meet the State's Proposition 98 obligations to schools. For FY 2009-10, agencies may "suspend" all or part of the required 20% allocation to its Low-and Moderate-Income Housing Fund (Low-Mod Fund) or borrow from the Low-Mod Fund in order to make the payment. The Low-Mod Fund must be repaid by June 30, 2015.

For FY 2009-10, the Agency's SERAF payment is approximately \$4.1 million. To make the Agency's payment on the Supplemental Educational Revenue Augmentation Funds (SERAF), a \$2.9 million loan from the Agency's Low-and Moderate-Income Housing Fund will be necessary. Proposed legislation would give the Agency authority to borrow an additional \$1.2 million from the Low-Mod Fund to make the full \$4.1 million SERAF payment. Any loan from the Low-Mod Fund would require approval by the Agency Board. Continuing shifts of funds from the Redevelopment Agency and loans from its Low-Mod Funds will temporarily reduce the funds available to produce affordable housing opportunities for those low and moderate-income households within the community. The funds borrowed from the Low-Mod Fund will be repaid within five years.

APPENDIX D: REDEVELOPMENT PROJECT AREAS

The table below shows a summary of Chula Vista's Redevelopment Project Areas and their corresponding dates of adoption and plan duration.

Existing Redevelopment Project Areas		
Merged Chula Vista Redevelopment Project Area	Adoption Date	Plan Duration
Town Centre II Original	8/15/1978	8/15/2021
Town Centre II Amended	7/19/1988	7/19/2029
Otay Valley	12/29/1983	12/29/2026
Southwest Original Adopted	11/27/1990	11/27/3031
Southwest Amended	7/9/1991	7/9/2032
2004 Added Area	5/4/2004	5/4/2034
Merged Bayfront/Town Centre I Redevelopment Project Area	Adoption Date	Plan Duration
Bayfront Original	7/16/1974	7/16/2017
Bayfront Amended	6/23/1998	6/23/2029
Town Centre I	7/6/1976	7/6/2019
Implementation Plan 2010 to 2014		
Housing Compliance Plan 2004-05 to 2013-14 (For affordable housing program planning)		

Merged Bayfront/Town Centre I Redevelopment Project Area

In July 1979, the Agency merged the Bayfront Original and Town Centre I Redevelopment Project Areas.

Bayfront – Project Area Profile

LAND AREA:	Approximately 637 acres (Original Bayfront Redevelopment Area) Approximately 398 acres (Added Bayfront Redevelopment Area)
BOUNDARY:	The Project Area is bounded by Interstate 5 on the east, San Diego Bay on the west, State Route 54 to the north, and L Street to the south
LAND USE:	Includes: Industrial Commercial Conference Center/Resort Residential National Wildlife Refuge Public and Quasi-Public Uses
GENERAL CHARACTERISTICS:	Historically, this area had a variety of land uses ranging from industrial to farming. Large sections of the project area, notably the Mid-Bayfront and D Street Fill are undeveloped and lack infrastructure improvements. The Bayfront is home to a marina, park, and Goodrich Industries. It also contains valuable wetland resources and provides access to the Bay.
DATE ADOPTED:	July 16, 1974 (Ordinance 1541 – Original Area) June 23, 1998 (Ordinance 2734 – Added Area)
DATE OF AMENDMENTS:	1 st Amendment 07/17/1979 (Ord. 1872) 2 nd Amendment 04/22/1986 (Ord. 2146) 3 rd Amendment 01/04/1994 (Ord. 2585) 4 th Amendment 11/08/1994 (Ord. 2608) 5 th Amendment 06/23/1998 (Ord. 2734) 6 th Amendment 01/13/2004 (Ord. 2948) 7 th Amendment 02/03/2004 (Ord. 2950) 8 th Amendment 07/25/2006 (Ord. 3038)
TERM LIMIT:	July 16, 2017 (Original Area) June 23, 2029 (Added Area)
TAX INCREMENT LIMIT:	\$210 million (Original Area) No Limit (Added Area)
REVENUE TERM:	July 16, 2027 (Original Area) June 23, 2039 (Added Area)
BONDED INDEBTEDNESS LIMIT:	\$50 million (Original Area) No Limit (Added Area)
CURRENT GROSS TAX INCREMENT FLOW:	\$ 2,064,886

SOURCE: County of San Diego Office of the Auditor and Controller "Estimated Tax incremental Revenue Fiscal Year 2009-2010"

Town Centre I – Project Area Profile

LAND AREA:	138 acres
BOUNDARY:	Third Avenue is the Project Area's central north-south circulation spine. E Street bounds the project to the north and I Street is the Project's southern boundary. The east-west boundaries vary, extending to Fourth Avenue at its farthest point west and to Del Mar Avenue at its farthest point east.
LAND USE:	Includes: High and Medium-High Density Residential Professional and Administrative Commercial Retail and Service Commercial Public and Quasi-Public Uses
GENERAL CHARACTERISTICS:	This area serves as the valuable Chula Vista historic downtown. Town Centre I is home to the Third Avenue business corridor, San Diego South County Superior and Municipal Court Complex, Norman Park Senior Center, and Memorial Park, as well as a variety of commercial offices, retail and service commercial uses, and residential units.
DATE ADOPTED:	July 6, 1976 (Ordinance 1691)
DATE OF AMENDMENTS:	1 st Amendment 07/17/1979 (Ord. 1872)
	2 nd Amendment 04/22/1986 (Ord. 2146)
	3 rd Amendment 01/04/1994 (Ord. 2585)
	4 th Amendment 11/08/1994 (Ord. 2609)
	5 th Amendment 06/23/1998 (Ord. 2735)
	6 th Amendment 01/13/2004 (Ord. 2948)
	7 th Amendment 02/03/2004 (Ord. 2950)
	8 th Amendment 07/25/2006 (Ord. 3038)
	9 th Amendment 04/26/2007 (Ord. 3071)
TERM LIMIT:	July 6, 2019
TAX INCREMENT LIMIT:	\$84 million
REVENUE TERM:	July 6, 2029
BONDED INDEBTEDNESS LIMIT:	\$20 million
CURRENT GROSS TAX INCREMENT FLOW:	\$2,635,400

SOURCE: County of San Diego Office of the Auditor and Controller "Estimated Tax incremental Revenue Fiscal Year 2009-2010"

Merged Chula Vista Redevelopment Project Area

In August of 2000, Town Centre II Original, Town Centre II Added, Otay Valley, Southwest Original, and Southwest Added were financially merged. In May 2004, the Agency adopted the Amended and Restated Redevelopment Plan for the Merged Chula Vista Redevelopment Project Area, inclusive of the new Added Redevelopment Project Area, consolidating the separate redevelopment plans into a single document. The 2004 Added Area increased the size of the Merged Chula Vista Redevelopment Project Area to 2,390 acres.

Town Centre II Project Area Profile

LAND AREA:	Approximately 65 Acres (Original Town Center II Redevelopment Project Area) Approximately 76 Acres (Added Town Center II Redevelopment Project Area)
BOUNDARY:	The Project Area consists of eight separate areas in northwest Chula Vista, including the Chula Vista Shopping Center; and a separate area located in southwest Chula Vista.
LAND USE:	Includes: Professional and Administrative Commercial, Retail and Service Commercial
GENERAL CHARACTERISTICS:	The Project Area consists of a variety of primarily commercial land uses, including the major H Street business corridor, the region's major shopping mall, the new WalMart Center, the City's existing Corporate Yard, and institutional land uses.
DATE ADOPTED:	August 15, 1978 (Ord. 1827 – Original Area) July 19, 1988 (Ord. 2274 – Added Area)
DATE OF AMENDMENTS:	1 st Amendment 05/19/1987 (Ord. 2207)
	2 nd Amendment 07/19/1988 (Ord. 2274)
	3 rd Amendment 11/08/1994 (Ord. 2610)
	4 th Amendment 08/22/2000 (Ord. 2817)
	5 th Amendment 01/13/2004 (Ord. 2947)
	6 th Amendment 02/03/2004 (Ord. 2949)
	7 th Amendment 05/04/2004 (Ord. 2962)
	8 th Amendment 07/25/2006 (Ord. 3039)
TERM LIMIT:	August 15, 2021 (Original Area) July 19, 2029 (Amended Area)
TAX INCREMENT LIMIT:	\$42.5 million
REVENUE TERM:	August 15, 2031 (Original Area) July 19, 2039 (Amended Area)
BONDED INDEBTEDNESS LIMIT:	\$100 million
CURRENT GROSS TAX INCREMENT FLOW:	\$1,485,862

SOURCE: County of San Diego Office of the Auditor and Controller "Estimated Tax incremental Revenue Fiscal Year 2009-2010"

Otay Valley Project Area Profile

LAND AREA:	Approximately 771 acres (includes public rights-of-way, 750 acres net)	
BOUNDARY:	East of I-805	
LAND USE:	Land Fill	265 acres
	Wetland	163 acres
	Public Streets	21 acres
	Light Industrial	322 acres
GENERAL CHARACTERISTICS:	This area represents the largest resource of under-developed urbanized property in the City which can be used for industrial development, thereby improving the City's employment and economic base.	
DATE ADOPTED:	December 20, 1983	
DATE OF AMENDMENTS:	1 st Amendment	11/08/1994 (Ord 2611)
	2 nd Amendment	08/22/2000 (Ord 2818)
	3 rd Amendment	01/13/2004 (Ord 2947)
	4 th Amendment	02/03/2004 (Ord 2949)
	5 th Amendment	05/04/2004 (Ord 2962)
	6 th Amendment	07/25/2006 (Ord 3039)
TERM LIMIT:	December 29, 2026	
TAX INCREMENT LIMIT:	\$115 million	
REVENUE TERM:	December 29, 2036	
BONDED INDEBTEDNESS LIMIT:	\$45 million	
CURRENT GROSS TAX INCREMENT FLOW:	\$2,334,833	

SOURCE: County of San Diego Office of the Auditor and Controller "Estimated Tax incremental Revenue Fiscal Year 2009-2010"

Southwest Project Area Profile

LAND AREA:	Approximately 1,064 Acres (Original Southwest Redevelopment Area) Approximately 4 Acres (Added Southwest Redevelopment Area)	
BOUNDARY:	The boundaries of the Project Area comprise a large territory generally located along Interstate 5 (I-5), Broadway Avenue, south Third Avenue, and the Main Street corridors. The boundaries follow a selective path and therefore are very irregular.	
LAND USE:	Includes: Industrial Commercial Residential Public and Quasi-Public Uses	
GENERAL CHARACTERISTICS	The Project Area consists primarily of light industrial and retail commercial uses. Several residential enclaves are dispersed throughout the Project Area including the Broderick's Otay Acres area south of Main Street and east of Mace Street, the Woodlawn Park area on the north side of Main Street and west of Melrose Avenue, the Jacqua Street area, the West Fairfield area, and the Walnut Street area.	
DATE ADOPTED:	11/27/1990 (Ord. 2420 – Original Area) 07/09/1991 (Ord. 2467 – Added Area)	
DATE OF AMENDMENTS:	1 st Amendment	07/09/1991 (Ord 2467)
	2 nd Amendment	11/08/1994 (Ord 2612)
	3 rd Amendment	08/22/2000 (Ord 2819)
	4 th Amendment	11/19/2002 (Ord 2888)
	5 th Amendment	01/13/2004 (Ord 2947)
	6 th Amendment	02/03/2004 (Ord 2949)
	7 th Amendment	05/04/2004 (Ord 2962)
TERM LIMIT:	November 27, 2031 (Original Area) July 9, 2032 (Added Area)	
TAX INCREMENT LIMIT:	\$15 million per year, to be adjusted annually based on the Consumer Price Index.	
REVENUE TERM:	November 27, 2041 (Original Area) July 9, 2042 (Added Area)	
BONDED INDEBTEDNESS:	\$150 million outstanding at one time, to be adjusted annually based on the Consumer Price Index since 1990. The adjusted limit for 1999 is \$186.1* million	
CURRENT GROSS TAX INCREMENT:	\$ 3,455,342	

SOURCE: County of San Diego Office of the Auditor and Controller "Estimated Tax incremental Revenue Fiscal Year 2009-2010"

2004 Added Project Area Profile

LAND AREA:	Approximately 494 acres
BOUNDARY:	Along major commercial and industrial roadways in the western part of Chula Vista (Broadway, Third Avenue, E Street, H Street, and other pocket areas in the northern part of the City)
LAND USE:	Commercial Light Industrial
GENERAL CHARACTERISTICS:	This area follows major commercial and industrial roadways in the western part of Chula Vista (Broadway, Third Avenue, E Street, H Street, and other pocket areas in the northern part of the City) to provide continuity to the Agency's redevelopment efforts such as infrastructure and capital project improvements.
DATE ADOPTED:	May 4, 2004 (Ord 2962)
DATE OF AMENDMENTS:	None to date
TERM LIMIT:	May 4, 2034
TAX INCREMENT LIMIT:	No Limit
REVENUE TERM:	May 4, 2049
BONDED INDEBTEDNESS LIMIT:	\$175 million
CURRENT GROSS TAX INCREMENT FLOW:	\$2,055,294

SOURCE: County of San Diego Office of the Auditor and Controller "Estimated Tax incremental Revenue Fiscal Year 2009-2010"

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APPENDIX E: REDEVELOPMENT REVENUES (2005-2009)

The Agency projects net tax increment revenues equaling approximately \$21 million from FY 2009/10 through 2013/14 to fund necessary administrative activities and projects/programs. The revenue sources include:

- Annual tax increment revenues
- Bond issuance proceeds
- Other Agency and non-Agency financial resources

The following tax increment revenue projections are based on current assessed values in the project areas and an annual growth rate of two percent for those values. They do not account for future redevelopment projects which will significantly increase tax increment generation in the project areas.

FY 2009/10 to 2013/14 Projected Revenues Available for Merged Bayfront/Town Centre I

DESCRIPTION	FISCAL YEAR					TOTAL
	2009-010	2010-011	2011-12	2012-13	2013-14	
Gross Tax Increment	5,012,162	5,112,405	5,214,653	5,318,946	5,425,325	26,083,492
Less: Pass-Through Payments	510,598	520,810	531,226	541,851	552,688	2,657,172
Less: Housing Set-Aside	1,002,432	1,022,481	1,042,931	1,063,789	1,085,065	5,216,698
Less: Debt Obligations	2,141,906	2,140,204	2,138,235	2,134,959	2,132,840	10,688,143
Less: Loan Repayment (to General Fund)	472,955	0	0	0	0	472,955
Less: ERAF	0	306,338	353,322	353,322	353,322	1,366,303
Net Tax Increment Available for Admin & Projects/Programs	884,271	1,122,572	1,148,940	1,225,026	1,301,411	5,682,220

FY 2009/10 to 2013/14 Projected Revenues Available for Merged Chula Vista

DESCRIPTION	FISCAL YEAR					TOTAL
	2009-010	2010-011	2011-12	2012-13	2013-14	
Gross Tax Increment	9,713,223	9,907,487	10,105,637	10,307,750	10,513,905	50,548,003
Less: Pass-Through Payments	2,109,198	2,151,382	2,194,410	2,238,298	2,283,064	10,976,351
Less: Housing Set-Aside	1,942,645	1,981,497	2,021,127	2,061,550	2,102,781	10,109,601
Less: Debt Obligations	1,599,180	2,109,455	2,105,009	2,113,654	1,283,256	9,210,554
Less: Loan Repayment (to General Fund)	2,309,887	0	0	0	0	2,309,887
Less: ERAF	0	593,662	685,860	685,860	685,860	2,651,242
Net Tax Increment Available for Admin & Projects/Programs	1,752,313	3,071,491	3,099,231	3,208,388	4,158,944	15,290,367

**FY 2009/10 to 2013/14 Projected Net Tax Increment
 Revenues Available for All Project Areas**

PROJECT AREA	FISCAL YEAR					TOTAL
	2009-010	2010-011	2011-12	2012-13	2013-14	
Merged Bayfront / Town Centre I	884,271	1,122,572	1,148,940	1,225,026	1,301,411	5,682,220
Merged Chula Vista	1,752,313	3,071,491	3,099,231	3,208,388	4,158,944	15,290,367
TOTAL	2,636,584	4,194,063	4,248,171	4,433,414	5,460,355	20,972,588

APPENDIX F: 2005-2009 ACCOMPLISHMENTS

The 2005-2009 Redevelopment Implementation Plan divided the redevelopment project areas into three geographic focus areas. In the current 2010-2014 Redevelopment Implementation Plan, the report has been reorganized to track plans, policies, programs and projects by the two merged Redevelopment Project Areas: Bayfront/Town Centre I (comprised of the Bayfront Original, Bayfront Amended, Town Centre I Original and Town Centre I Amended project areas) and Merged Chula Vista (comprised of the Town Centre II Original, Town Centre II Amended, Otay Valley, Southwest Original, Southwest Amended and 2004 Added Area project areas). To track the accomplishments from the previous five year cycle, the list has been organized by the three geographic focus areas. However, to provide transition to the 2010-2014 Redevelopment Implementation Plan, a column has been added to show the location and the current status of the work program.

ALL GEOGRAPHIC FOCUS AREAS

Goals & Objectives / Implementing Programs	Redevelopment Project Area	2009 Status
COMPREHENSIVE PLANNING DOCUMENTS & PROCESSES		
Public Outreach and Education Develop an outreach and education program to provide the community with information regarding the purpose and benefits of redevelopment, the Agency's role, tools used, and specific development proposals. <ul style="list-style-type: none"> <input type="checkbox"/> Provide general and technical information to community organizations other civic groups. <input type="checkbox"/> Implement an ongoing process of educating and encouraging input from the community regarding specific development proposals. 	All Project Areas	Ongoing
Expansion of the Chula Vista Redevelopment Project Areas Adding territory to the existing Merged Chula Vista Redevelopment Project Area would strengthen the Agency's ability to leverage Low-Mod Funds for affordable housing, including new construction and land purchases, and further the Agency's legislative charge to remove blight. <ul style="list-style-type: none"> <input type="checkbox"/> Adoption of a Survey Area 	All Project Areas	Continued to 2010-2014 Work Plan
Proportionate Increase of 20% Housing Set-Aside Conduct a policy study for developing an accounting system that proportionately increases the annual amount of tax increment that is deposited into the Low-Mod Fund as tax increment revenues reach specified goal levels. This project would further the Agency's ability to facilitate the creation of affordable housing and meet its state-mandated housing obligations. <ul style="list-style-type: none"> <input type="checkbox"/> Policy study to analyze the accounting structure and identify appropriate tax increment thresholds for set-aside increases. 	All Project Areas	Not Implemented

NORTH GEOGRAPHIC FOCUS AREA

Goals & Objectives / Implementing Programs	Redevelopment Project Area	2009 Status
PLANS & POLICIES		
Environmental Remediation <input type="checkbox"/> Coordinate and work with individual property owners as contaminated sites are identified for the remediation of hazardous materials to create a viable development site.	All Project Areas	Ongoing
KEY CATALYST PROJECTS		
Third Avenue Redevelopment Opportunities The development or redevelopment of vacant or underdeveloped properties located along the Third Avenue corridor from E Street to the North and G Street to the South. <input type="checkbox"/> Negotiate and complete four Agreements for mixed-use retail and residential developments. <input type="checkbox"/> Facilitate the completion of 60,000 sq. feet of new retail/commercial development.	Merged Bayfront/ Town Centre I (Town Centre I) Project Area	Continued to 2010-2014 Work Plan
E Street & Woodlawn Redevelopment Opportunities The redevelopment of underdeveloped properties located south of E Street along Woodlawn Avenue to provide a mixed-use retail and residential development. <input type="checkbox"/> Pursue Agreements with property owners and developers to provide the Agency with the ability to explore, initiate, and enter into different types of development agreements for future redevelopment projects.	Merged Chula Vista (Town Centre II) Project Area	Continued to 2010-2014 Work Plan
Scripps Hospital <input type="checkbox"/> Assist Scripps hospital in developing a business plan to maintain the presence of quality medical facilities in the Northwest area of the City.	Merged Chula Vista (Town Centre II) Project Area	Continued to 2010-2014 Work Plan
H Street Corridor Study*** Develop a pathway for making the H Street Corridor a reinvigorated and vibrant regional commercial and retail area by developing strategies to retain and grow existing businesses and identify and attract new jobs and industries. <input type="checkbox"/> Conduct a study of four key issue areas affecting economic and real estate development opportunities in the H Street Corridor, between Fourth Avenue and the I-5 Freeway, including: (1) Strategic vision and implementation plan for creating new jobs of high economic value generated from sources external to the City (new jobs); (2) Analysis of the core economic, social, and transportation linkages between the developing Bayfront and the Urban Core commercial	Merged Chula Vista (Town Centre II) Project Area	Continued to 2010-2014 Work Plan

Goals & Objectives / Implementing Programs	Redevelopment Project Area	2009 Status
areas along Third Ave; (3) Analysis and recommendations for the Scripps Health Complex and the Chula Vista Shopping Mall; and (4) Alignment of economic development priorities with appropriate urban design and transit along the Corridor.		
Gateway Chula Vista <input type="checkbox"/> Complete construction of 100,000 sq. feet of commercial/office and retail as the third phase of the Gateway project.	Merged Bayfront/Town Centre I (Town Centre I) Project Area	Continued to 2010-2014 Work Plan
AFFORDABLE HOUSING		
Seniors on Broadway <input type="checkbox"/> Complete the Seniors on Broadway housing project: 41-units of rental housing for extremely low and very low income seniors in the Southwest Project Area (825 Broadway b/w Sierra Way and K Street).	Merged Chula Vista (Added) Project Area	Completed
New Construction of Housing <input type="checkbox"/> The Agency will work to acquire property for the purpose of assisting in the construction of 100 affordable rental units for very low and low income households.	All Project Areas	Ongoing

WEST GEOGRAPHIC FOCUS AREA

Goals & Objectives / Implementing Programs	Redevelopment Project Area	2009 Status
PLANS & POLICIES		
Bayfront Redevelopment - Planning Support Bayfront master planning between the Port of San Diego and the City of Chula Vista to create comprehensive, up-to-date, and streamlined policies and initiatives for the Bayfront Project Area. Support City efforts to prepare and apply policy and legislative documents that enable the implementation of the Chula Vista Bayfront Master Plan elements located within the City's jurisdiction. <input type="checkbox"/> Amend the existing Bayfront Redevelopment Plan to align land use policies and procedures with the proposed Bayfront Master Plan. <input type="checkbox"/> Support the California Coastal Commission Approval of Local Coastal Plan Amendment (LCPA) and Port Master Plan Amendment (PMPA). <input type="checkbox"/> Support efforts by the developer and the Port to obtain State Lands Approval.	Merged Bayfront/Town Centre I (Bayfront) Project Area	Continued to 2010-2014 Work Plan
Bayfront Redevelopment – Infrastructure Improvements The Bayfront area lacks the necessary public infrastructure to support the redevelopment of the area to more intense land uses as proposed	Merged Bayfront/Town Centre I	Continued to 2010-2014 Work Plan

Goals & Objectives / Implementing Programs	Redevelopment Project Area	2009 Status
<p>within the Bayfront Master Plan. The redevelopment of the Bayfront area is a joint effort between the Port of San Diego and the City of Chula Vista.</p> <ul style="list-style-type: none">❑ Coordinate with the Port and the City’s Engineering and General Services Departments to complete an assessment of the current public infrastructure needs. Coordinate with the Finance and Engineering Departments to develop the City’s the Financing Plan for the necessary improvements.	<p>(Bayfront) Project Area</p>	
<p>Goodrich</p> <p>Goodrich has consolidated its operations within the Northern Area of the Bayfront. The consolidation now allows the redevelopment of their former site of operation.</p> <ul style="list-style-type: none">❑ Complete activities for the transfer of the Rados property to Goodrich as required by the Agreement to allow for the consolidation within its North Campus and the vacancy of its former operations.	<p>Merged Bayfront/Town Centre I (Bayfront) Project Area</p>	<p>Completed</p>
<ul style="list-style-type: none">❑ Demolish and remove vacant buildings located at Goodrich’s former operations.❑ Environmental cleanup of groundwater contamination in the West Geographic Focus Area.		
<p>KEY CATALYST PROJECTS</p>		
<p>Residential Development</p> <p>Construction of up to 2,000 units of residential units within the Bayfront master planning area.</p> <ul style="list-style-type: none">❑ Entitle the residentially zoned land of the Bayfront Master Plan area.	<p>Merged Bayfront/Town Centre I (Bayfront) Project Area</p>	<p>Continued to 2010-2014 Work Plan</p>

SOUTH GEOGRAPHIC FOCUS AREA

Goals & Objectives / Implementing Programs	Redevelopment Project Area	2009 Status
PLANS & POLICIES		
<p>Southwest Specific Plan Facilitate the financing and preparation of a Specific Plan for the Southwest to provide for appropriate land uses and development standards to facilitate the development and redevelopment of properties within the area.</p>	Merged Chula Vista (Southwest) Project Area	Continued to 2010-2014 Work Plan

Goals & Objectives / Implementing Programs	Redevelopment Project Area	2009 Status
<ul style="list-style-type: none"> ❑ Work with the Finance Department and the Office of Budget & Analysis to develop a financing plan for the development of the Southwest Specific Plan and initiate the development of the Plan. ❑ Support City efforts to complete the Southwest Specific Plan. 		
Environmental Remediation <ul style="list-style-type: none"> ❑ If awarded EPA Brownfield Assessment Grant, complete Phase I site assessments for Southwest Project Area. ❑ Submit an application for EPA Revolving Loan Fund Grant Program to complete Phase II site assessments and cleanup. 	Merged Bayfront/Town Centre I (Bayfront) Project Area	Continued to 2010-2014 Work Plan
PUBLIC INFRASTRUCTURE & AMENITIES		
Main Street Improvement Plan <ul style="list-style-type: none"> ❑ Agency will coordinate with the Engineering Department to complete an assessment of current deficiencies and an improvement plan to address identified deficiencies. The Agency will also coordinate with the Finance Department and Engineering to develop a Financing Plan for the necessary improvements. 	Merged Chula Vista (Southwest) Project Area	Continued to 2010-2014 Work Plan
KEY CATALYST PROJECTS		
Redevelopment Opportunities <ul style="list-style-type: none"> ❑ Identification of key strategic sites, which are vacant, stagnant or underutilized, to stimulate redevelopment 	Merged Chula Vista (Southwest) Project Area	Continued to 2010-2014 Work Plan
Auto Park Expansion <ul style="list-style-type: none"> ❑ Complete construction of directional signs for Auto Park, including visible freeway signage. 	Merged Chula Vista (Otay Valley) Project Area	Continued to 2010-2014 Work Plan
Auto & Construction Material Recycling Areas*** The Otay Valley Project Area is home to numerous automobile and construction material recycling businesses. These businesses provide a needed service, but there may be higher and better uses for this location of the City. <ul style="list-style-type: none"> ❑ Conduct a feasibility study for the Otay Valley Project Area to: (1) Determine if other land uses, such as expansion of the auto park or development of new industrial or business parks, may be a better use of some or all of the Project Area; (2) Analyze the compatibility of existing and potential future land uses with the surrounding community; and (3) Examine 	Merged Chula Vista (Otay Valley) Project Area	Not Implemented

how existing and potential land uses fit into the overall economic development strategy for the City.		
<p>Landfill Annexation***</p> <p>The City has an agreement with the County of San Diego that allows the City to annex and acquire approximately 54-acres of land adjacent to the landfill.</p> <p>❑ Conduct a study to determine if development of a business or industrial park at this location could create a competitive advantage in recruiting private, knowledge-based technology companies to Chula Vista. Because of its location within the Otay Valley Project Area and proximity to numerous auto recycling businesses, study complements the analysis of the existing automobile and construction material recycling uses.</p>	<p>Merged Chula Vista (Otay Valley) Project Area</p>	<p>Continued to 2010-2014 Work Plan</p>
AFFORDABLE HOUSING		
<p>Affordable Housing Program</p> <p>Expand housing opportunities for low and moderate-income residents by partnering with affordable housing developers and providing assistance for the new construction of approximately 240 dwelling units.</p> <p>❑ Complete construction of 120 new low or moderate-income dwelling units.</p>	<p>Merged Chula Vista (All Sub-areas) Project Area</p>	<p>Continued to 2010-2014 Work Plan</p>

AFFORDABLE HOUSING ACCOMPLISHMENTS

Within Redevelopment Project Areas

BRISA DEL MAR (Southwest)

- New construction of 106 family rental units
- 10 units for very low income households at 50% AMI and 96 units for low income households at 60% AMI
- \$1.5 million in Redevelopment Low-Moderate Income Housing Set Aside funds and \$300,000 in HOME funds
- 1695 Broadway
- Completed in December 2005



MAAC Seniors on Broadway (Southwest)

- New construction of 42 rental housing units for seniors
- 5 units at 30% of AMI, 16 units at 45% of AMI and 20 units at 50% AMI
- 845 Broadway
- \$3,511,195 in HOME funds
- Completed in January 2008

Los Vecinos (Southwest)

- New construction of 42 rental housing units
- 5 units at 30% AMI, 7 units at 45% AMI, 21 units at 50% AMI and 8 units at 60% AMI
- 1501 Broadway
- \$5,680,000 in Redevelopment Low-Moderate Income Housing funds
- Completed in April 2009



Outside of Redevelopment Project Areas



Landings I

- New construction of 92 rental units
- 2122 Burdock Way within the Winding Walk master planned community
- 26 units at 50% AMI and 106 units at 60% AMI
- \$1,100,000 in HOME funds
- Completed in November 2008